

RECORDATION NO. 21606 FILED

AUG 31 '98

1-11 PM

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OF COUNSEL
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(202) 393-2266

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August 31, 1998

Counterparts -
Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Memorandum of Lease Agreement, dated as of August 31, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents.

The railroad equipment subject to this Lease Agreement is subject to certain sub-leases by MRC Rail Services which have previously been recorded. Please cross-index this Lease Agreement under the Recordation Numbers set forth on the cross-index schedule attached hereto.

The names and addresses of the parties to the enclosed document are:

Lessor: Banc One Leasing Corporation
1111 Polaris Parkway, Suite A3
Columbus, OH 43240

Lessee: MRC Rail Services, LLC
One California Street
Suite 1500
San Francisco, CA 94111

A description of the railroad equipment covered by the enclosed documents is:

two hundred sixty (260) railcars bearing reporting SERA, DR, NVR, CHTT and IBT reporting marks and road numbers set forth in the Memorandum.

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SURFACE TRANSPORTATION
BOARD
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Mr. Vernon A. Williams
August 31, 1998
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Also enclosed is a check in the amount of \$156.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

Cross-index Schedule

Reporting Marks and Road Numbers

Cross-index under Recordation Number

SERA 73000-73049

21146

DR 7000-7049

21038

NVR 1000-1039

21355

CHTT 286525-286624

21210

IBT 19000-19019

21478

*Janice - each cross-
index will be
an "-A"*

Thanks, Jeth.

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**MEMORANDUM OF LEASE AGREEMENT
BETWEEN
BANC ONE LEASING CORPORATION ("LESSOR")**

AND

MRC RAIL SERVICES, LLC ("LESSEE")

August 31, 1998

Memorandum of a Lease Agreement made and entered into as of August 31, 1998 by and between Banc One Leasing Corporation, a Ohio corporation, ("Lessor") and MRC Rail Services, LLC, a Delaware limited liability company ("Lessee").

WITNESSETH:

1. Lessor has agreed to furnish to Lessee, and Lessee has agreed to lease from Lessor the following 260 railcars bearing marks and numbers as follows:

Description	Quantity	Numbers
73-foot, 286,000 lbs center-beam flat cars	140	SERA 73000 - 73049 DR 7000 - 7049 NVR 1000 - 1039
52-foot 6-inch, 286,000 lbs mill gondola cars	100	CHTT 286525 - 286624
50-foot 6-inch, 286,000 lbs Plate F box cars	20	IBT 19000 - 19019

2. The Lease Agreement shall be effective as of the date first set forth hereinabove and shall be subject to the lease term, as described in the Equipment Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

Lessor: Banc One Leasing Corporation

By: [Signature]

Title: MGR. FINANCING

Date: 8/28/98

Lessee: MRC Rail Services, LLC

By: [Signature]

Title: Vice President

Date: August 27, 1998

STATE OF

COUNTY OF

On this 28 day of August, 1998, before me personally appeared Todd A. Ehringer, to me personally known, who being by me duly sworn, says that he is the Mgr., Funding of Banc One Leasing Corporation that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

Andrew J. Kalg
NOTARY PUBLIC

My commission expires:

ANDREW J. KALGREEN, Attorney at Law
Notary Public, State of Ohio
My Commission has no expiration date
Section 147.03 R.C.

STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO

On this 27th day of August, 1998, before me personally appeared Michihiro Nose, to me personally known, who being by me duly sworn, says that he is the Secretary, Treasurer and Vice President of MRC Rail Services, LLC that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

Shirlyn J. Kim
NOTARY PUBLIC

My commission expires: Mar. 25, 2000

